

## Chapter 9: Other Benefits

Through the Multiple Use Act (**RCW 79.68.010**) the legislature directs that a multiple use concept be utilized by the department in the management and administration of state-owned lands where to do so is “consistent with the applicable trust provisions of the various lands involved.”

In **RCW 79.68.020** the legislature defined multiple use as management and administration “to provide for several uses simultaneously on a single tract and/or planned rotation of one or more uses on and between specific portions of the total ownership.”

In **RCW 79.68.050** the legislature lists 12 basic activities on trust lands that may be compatible with trust obligations:

- (1) Recreational areas;
- (2) Recreational trails for both vehicular and nonvehicular uses;
- (3) Special educational or scientific studies;
- (4) Experimental programs by the various public agencies;
- (5) Special events;
- (6) Hunting and fishing and other sports activities;
- (7) Maintenance of scenic areas;
- (8) Maintenance of historical sites;
- (9) Municipal or other public watershed protection;
- (10) Greenbelt areas;
- (11) Public rights of way;
- (12) Other uses or activities by public agencies;

Further in **RCW 79.68.050** the legislature states that “if such additional uses are not compatible with the financial obligations in the management of trust land they may be permitted only if there is compensation from such uses satisfying the financial obligations” to the trust.

When the interests of the trust and other benefits from trust lands of importance to the legislature are in conflict, the legislature has directed the department to protect the trusts’ interest. In **RCW 79.01.128**, the legislature authorizes the department to “alter its land management practices to provide water with qualities exceeding standards” . . . “PROVIDED, That if such alterations of management by the department reduce revenues from, increase costs of management of, or reduce the market value of public lands the city or town requesting such alterations shall fully compensate the department.”

And when the legislature directed the department of fish and wildlife to develop goals for fish and wildlife on shrub steppe habitat and agricultural lands in **RCW 79.01.295**, the legislature directed the department to implement practices to meet these goals where “consistent with the trust mandate of the Washington state Constitution and Title 79 RCW.”

In addition to the value to beneficiaries of the income stream developed from resource sales, trust lands encompass a number of non-market values. These include active-consumptive values (hunting and fishing), active-non-consumptive values (hiking and camping) and the passive value derived from merely knowing that a multiple use forest exists and can provide for the preservation of healthy ecosystems for current and future generations. Some non-market values like hiking might be associated with a particular property or set of properties, while other values like ecosystem protection might not be attributable to any one property.

In 1996 Deloitte & Touche LLP<sup>40</sup> estimated the equivalent dollar values of active non-market values of DNR lands. These were estimated utilizing (1) third party surveys involving the contingent valuation method, and (2) measures of the costs incurred in traveling to a recreational site, the travel cost method.

Deloitte & Touche estimated the annual active non-market benefits from department-managed grazing (\$17.8 million), agricultural (\$0.8 million) and forest (\$158.1million) lands at \$176.7 million per year. Activities considered were fishing (\$37.7 million), hunting (\$13.9 million), outdoors recreation (\$89.5 million) and water recreation (\$35.6 million).

Deloitte & Touche pointed out that Washington has become synonymous with an outdoor, eco-conscious, recreation-intensive lifestyle. Residents take great pride in and derive a great deal of psychological enjoyment from the natural beauty the state offers. As Washington’s population grows and residents have more leisure time, the level of outdoor activity is expected to increase proportionately as will the value of the benefits to the public from non-market uses of trust lands. Further these types of opportunities are becoming less available on private lands, increasing the importance of the remaining public lands.

The aesthetic qualities of our state are among the significant factors that draw new residents and businesses to Washington and fuel the economic development of our region. This hypothesized “second paycheck” is one of the arguments used by regional economists to explain why our region has prospered and Washington has outperformed surrounding states.

---

<sup>40</sup> Deloitte & Touche LLP, Economic Analysis June 1996 a report on the land managed by the Washington State, department of natural resources.

Deloitte & Touche also examined indirect benefits to the citizens of Washington State from trust lands. Indirect market benefits are the employment generated, wage and salary income earned, and tax revenue paid to state and local governments as a result of economic activity taking place on DNR-managed lands. These “down stream” benefits do not accrue to the beneficiaries but are of great importance to the individuals who benefit from them, to the state as a whole, and even beyond our state’s boundaries.

Deloitte & Touche estimated the annual jobs supported by market and non-market activity on department-managed grazing (2,510), agricultural (4,570) forest (14,240) lands and commercial real estate (2,800) at 24,120 jobs per year. Estimated wage and salary incomes earned were \$374 million per year. Deloitte & Touche estimated \$62.7 million in taxes are paid each year as a result of market and non-market activity. These values to the state and economy accrue in addition to the trust revenues to beneficiary.

In a recent study titled “Evaluation of Blanchard Mountain Social, Ecological and Financial Values” by the Cedar River Group<sup>41</sup> estimated the value to the citizens of the surrounding two counties (Whatcom and Skagit) of the environmental attributes of the 4,827-acre property at \$8.5 million or \$1,765 per acre. They estimated that timber harvest was expected to produce between \$1,370 and \$2,740 in total statewide economic benefit per acre per year. Direct recreational benefits were estimated at between \$117 and \$195 per acre per year. Cedar River estimated that every 45 to 86 acres supported a job somewhere in Washington State. Total tax revenues from annual timber harvests and recreational visits were estimated to be from \$25 to \$50 per acre per year, most of which supported local taxing districts.

---

<sup>41</sup> Cedar River Group et al. “Evaluation of Blanchard Mountain Social, Ecological and Financial Values” August 2002